



WASHINGTON STATE DEPARTMENT OF
Natural Resources
Doug Sutherland - Commissioner of Public Lands

REPORT TO THE LEGISLATURE

OPTIONS FOR INCREASING REVENUES TO THE TRUSTS:

COMPARISON OF RETURNS FROM INVESTING IN REAL PROPERTY AND IN PERMANENT FUNDS

January 2003



Doug Sutherland
Commissioner of Public Lands

January 16, 2003

The Honorable Dino Rossi, Chair
Washington State Senate
PO Box 40482
Olympia, WA 98504-0482

Dear Senator Rossi, *no*

In the 2002 Supplemental Capital Budget, the legislature directed the Department of Natural Resources and the trust beneficiaries to study options for increasing revenues to the trusts. The attached report, the result of that study, is respectively submitted.

The Department has met or corresponded with representatives of all the beneficiaries in the development of this report. The department is grateful to the many beneficiaries who took the time to read and comment on the draft report. Where appropriate, their comments have been incorporated into the report. Their suggestions have significantly improved the final product, contributing greatly to its content and clarity. In addition, some of the beneficiaries have provided written and verbal recommendations that were incorporated into the recommendations section of the report. We anticipate that others may provide additional input after the report is published. The Department will then forward those comment to you as an addendum to the report if appropriate.

This report lays the foundation for on-going discussion about the financial return to the various beneficiaries from the management of the federally granted trust lands. We believe the six recommendations contained in the report represent the logical next steps for increasing revenues to the beneficiaries from the trust assets managed by the Department.

We look forward to discussing the results of this study with you during the 2003 legislative session.

Sincerely,

Doug
Doug Sutherland
Commissioner of Public Lands

Enclosure

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Special thanks to the members of the beneficiary groups, and State Investment Board who reviewed and commented on this report. Where appropriate their comments have been incorporated into this report; these changes have greatly improved the content and clarity of the final product.

Phil Aust, Project Manager

Department of Natural Resources
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